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Order 2002-4-6

Served: April 10, 2002



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 5th day of April, 2002

Essential Air Service at

**Altoona, PA
Johnstown, PA**

under 49 U.S.C. 41731 *et seq.*

Docket OST-2002-11446 - 2
Docket OST-2002-11451 - 2

**ORDER PROHIBITING TERMINATION OF SERVICE AND
REQUESTING PROPOSALS**

Summary

By this order the Department is (a) prohibiting Chautauqua Airlines, Inc. (Chautauqua) from terminating its unsubsidized services at Altoona and Johnstown, Pennsylvania; (b) requiring the carrier to maintain service between the communities and Pittsburgh, Pennsylvania, for an initial 30-day period following the end of the notice period; and (c) requesting proposals from carriers interested in providing replacement service at one or both communities. (See Appendix A for an area map.)

Background

Altoona and Johnstown are guaranteed to receive at least a minimum level of air service under the Essential Air Service (EAS) program by virtue of the fact that they each appeared on a certificated carrier's Civil Aeronautics Board-issued certificate on October 24, 1978, the date the Airline Deregulation Act of 1978 was signed into law. (See 49 U.S.C. 41731-41742 for the EAS program's governing statutes.) On January 31, 2002, Chautauqua filed 90-day notices of its intent to suspend its unsubsidized scheduled air

service at both Altoona and Johnstown, effective on May 1, 2002. Chautauqua is the only carrier serving each community.

Altoona

At Altoona, Chautauqua's service consists of three nonstop round trips on weekdays, and two each on Saturdays and Sundays to the US Airways hub at Pittsburgh.¹ Chautauqua uses 30-seat, Saab 340 turboprop aircraft to serve the community.

The community's essential air service (EAS) determination, last reviewed by the former Civil Aeronautics Board, the Department's predecessor for this purpose, in 1983 (Order 83-3-15), calls for a minimum of two daily round trips to Pittsburgh in aircraft of sufficient capacity to accommodate 40 passenger enplanements each day. While the number of passengers using the Altoona-Blair County Airport has been declining since 1996, during the period from 1996 through 2000, an average of 36,350 passengers flew in and out of Altoona annually.

The Altoona-Blair County Airport itself lies almost 20 miles southeast of downtown Altoona. Pittsburgh International, the closest large hub airport, is approximately 110 highway miles due west of the community.

In Chautauqua's notice to suspend service, it indicated that it would be willing to continue to serve the community if it were compensated for its losses.

Johnstown

Chautauqua's service at Johnstown consists of four nonstop round trips to Pittsburgh on weekdays, two and one-half round trips on Saturdays and three and one-half on Sundays. Johnstown's service is also provided with Chautauqua's 30-seat Saab 340 aircraft.

Historically, Johnstown has generated a slightly greater number of annual passengers than Altoona, at least for the period from 1996 through the 3rd quarter of 2001. During the five-year period from 1996 through 2000, an average of 41,779 passengers flew in and out of Johnstown. Passenger traffic peaked in 1998 when 45,538 passengers used the local airport.

The Johnstown-Cambria County Airport is located about five miles east of downtown Johnstown, and Pittsburgh International is approximately 84 highway miles due west of the community. Johnstown's EAS determination was also last reviewed by the Civil Aeronautics Board in 1983, in Order 83-3-15. Similar to Altoona, the order calls for a

¹ OAG (Official Airline Guide) Flight Schedule Information - on line, March 14, 2002.

minimum of two daily nonstop round trips to Pittsburgh in aircraft of sufficient capacity to accommodate 40 passenger enplanements each day.

As in the case with Altoona, Chautauqua indicated to the Johnstown community its desire to continue to serve the community if it were adequately compensated for any losses it incurred while serving there.

Request for Proposals

We request that any carriers interested in providing essential air service at Altoona and/or Johnstown, with or without subsidy, file their proposals within 20 days of the service date of this order. We ask that carriers submit proposals for three round trips per day to Pittsburgh with 15-seat or larger, pressurized aircraft. We will also entertain proposals to serve other hubs that provide access to the national air transportation system in order to give the Department and the communities as broad an array of proposals as possible from which to choose. Of course, as always, we will formally solicit the communities' views on any service options we receive before making a long-term carrier selection decision. In order to assist carriers in making their traffic and revenue forecasts, we have included historical traffic data in Appendix B.

Procedures For Filing Proposals

For interested air carriers that are not familiar with our procedures and recommended form for supplying the necessary information, we have prepared two explanatory documents that we will make available upon request. The first describes the process for handling carrier replacement cases under 49 U.S.C. 41734(f) and discusses in detail the process of seeking proposals, conducting financial and operational audits of the applicant carriers and selecting a replacement carrier. The second is an evidence request containing an explanatory statement, and a copy of section 14 CFR 204.4 of the Department's regulations which deals with the information required of all applicants for authority to provide basic essential air service, and provides schedules giving our recommended form for submitting data required for determining the financial and operational ability of applicants to provide dependable air service.²

Community and State Comments

The Altoona and Johnstown communities and the Commonwealth of Pennsylvania are welcome to submit comments on the proposal or proposals at any time.³ Early in the

² Copies of these documents can be obtained from: EAS & Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, DC 20590. Telephone requests for these documents are accepted at (202) 366-1053.

³ Civic parties should file an original and five copies of their comments in Docket OST-2002-11446 for Altoona and in Docket OST-2002-11451 for Johnstown. Filings should be addressed to: Docket Operations

proceeding, comments on the perceived strengths and weaknesses of the proposals would be particularly helpful to the Department. The civic parties may also express a preference for a particular carrier or proposal option at that time, if they choose. In any event, after we conclude rate conferences with all applicants, we will provide a summary of the conference results to the civic parties and ask them to file their final comments.⁴

Other Carrier Requirements

The Department is responsible for implementing various Federal statutes governing lobbying activities, drug-free workplaces, and nondiscrimination.⁵ Consequently, all carriers receiving Federal subsidy to support essential air service must certify that they are in compliance with Department regulations regarding drug-free workplaces and nondiscrimination, and those carriers whose subsidies exceed \$100,000 over the life of the rate term must also certify that they are in compliance with regulations governing lobbying activities. All carriers that plan to submit proposals involving subsidy should submit the required certifications along with their proposals. Interested carriers requiring more detailed information regarding these requirements as well as copies of the certifications should contact the Office of Aviation Analysis at (202) 366-1053. The Department is prohibited from paying subsidy to carriers that do not submit these documents.

Requirement to Maintain Service

Chautauqua Airlines is the only carrier providing scheduled air service at Altoona and Johnstown. The communities are guaranteed to receive service under the EAS program, and 49 U.S.C. 41734 requires that we prohibit Chautauqua Airlines from terminating service for an initial 30-day period beyond the end of its 90-day notice period, through May 31, 2002.⁶ We will require Chautauqua Airlines to provide at least three nonstop or

and Media Management Division, SVC-124, Office of the Secretary, U.S. Department of Transportation, Room PL 401, 400 Seventh Street, S.W., Washington D.C. 20590.

⁴ In cases where a carrier proposes to provide essential air service without subsidy and we determine that service can be reliably provided without such compensation, we do not normally hold rate conferences. Instead, we rely on the carrier's subsidy-free service.

⁵ The regulations applicable to these areas are: (1) 49 CFR Part 20 – New restrictions on lobbying; (2) 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation – Effectuation of title VI of the Civil Rights Act of 1964; 49 CFR Part 27 – Nondiscrimination on the basis of disability in programs and activities receiving or benefiting from Federal financial assistance; and 14 CFR Part 382 – Nondiscrimination on the basis of disability in air travel; and (3) 49 CFR Part 29 – Government-wide debarment and suspension (non-procurement) and government-wide requirements for drug-free workplace (grants).

⁶ In accordance with 49 U.S.C. 41734(c), we will extend Chautauqua's service obligation for successive 30-day periods as necessary until replacement service actually begins.

one-stop round trips on weekdays and in total over the weekend in the Altoona-Pittsburgh and Johnstown-Pittsburgh markets while we process the carrier replacement case.

This order is issued under authority delegated in 49 CFR 1.56a (f).

ACCORDINGLY,

1. We request that carriers interested in providing essential air service at either or both Altoona and Johnstown, Pennsylvania, submit their proposals, with or without requests for subsidy, within 20 days of the service date of this order. An original and five copies of the proposal should be sent to the EAS and Domestic Analysis Division, X-53, Office of Aviation Analysis, Room 6401, Department of Transportation, 400 7th Street, S.W., Washington, D.C. 20590, with the title: "Proposal to Provide Essential Air Service at Altoona, Pennsylvania," Docket OST-2002-11446, and/or "Proposal to Provide Essential Air Service at Johnstown, Pennsylvania," Docket OST-2002-11451;⁷
2. The Department prohibits Chautauqua Airlines, Inc., d/b/a US Airways Express, from terminating service at Altoona and Johnstown, Pennsylvania, at the end of its 90-day notice periods, and requires it to maintain at least three nonstop or one-stop round trips each weekday and weekend to Pittsburgh, through May 31, 2002, or until a carrier capable of providing reliable essential air service actually begins service, whichever comes first;
3. The Department directs Chautauqua Airlines, Inc., d/b/a US Airways Express, to retain all books, records, and other source and summary documents to support subsidy claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;
4. This docket will remain open until further order of the Department; and
5. We will serve copies of this order on the Mayors and airport managers of Altoona and Johnstown, the Governor of Pennsylvania, the Bureau of Aviation of the Pennsylvania

⁷ After serving a copy of its proposal on the civic officials of Altoona and/or Johnstown and each of the other applicants, each applicant must then file a certification of service with the Department's Docket Operations and Media Management Division, SVC-124. Questions regarding filings in response to this order may be directed to Mike Waters at (202) 366-6494.

Department of Transportation, Chautauqua Airlines, Inc., d/b/a US Airways Express, and the carriers listed in Appendix C.

By:

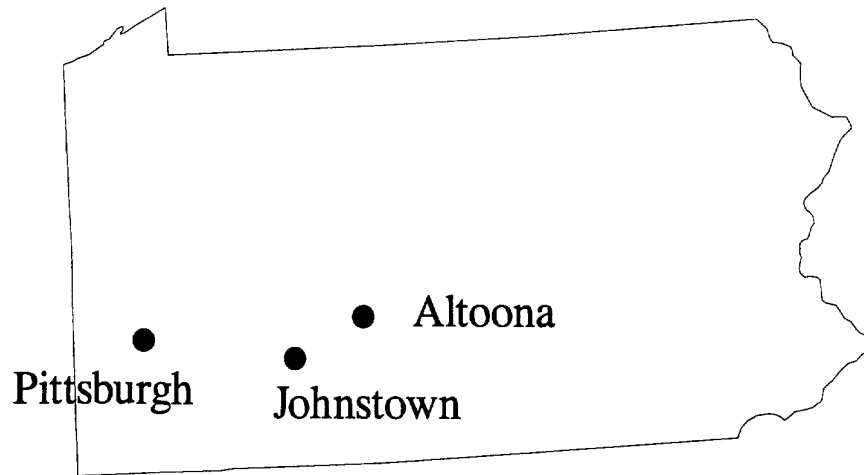
READ C. VAN DE WATER
Assistant Secretary for Aviation
and International Affairs

(SEAL)

An electronic version of this document is available on the World Wide Web at

<http://dms.dot.gov>

AREA MAP



Air Passenger Traffic At Altoona

Year	Number of Passengers¹
1996	39,986
1997	38,943
1998	39,149
1999	33,175
2000	30,517
2001 (1 st – 3 rd quarters)	22,411

Air Passenger Traffic At Johnstown

Year	Number of Passengers²
1996	39,155
1997	44,225
1998	45,538
1999	40,244
2000	39,733
2001 (1 st – 3 rd quarters)	27,502

¹ Source: Part 298-C data reported by Chautauqua Airlines, Inc., for the period indicated.

² Source: Part 298-C data reported by Chautauqua Airlines, Inc., for the period indicated.

Service List For Pennsylvania

Air Wisconsin, Inc.
Amerijet International, Inc.
Chautauqua Airlines, Inc.
Chester County Aviation, Inc.
Colgan Air
Columbia Aviation, Inc.
Corporate Air, Inc.
Delta Connection
Enterprise Airlines, Inc.
Executive Airlines, Inc.
Heartland Aviation, Inc.
Henson Aviation Inc.
Horizon Air, Inc.
Jetstream International Airlines, Inc.
Long Island Airlines
Metroflight, Inc.
Midway Airlines, Inc.
Midwest Express Airlines, Inc.
Northcoast Executive Airlines, Inc.
Northwest Airlink
Omniflight Helicopter Service, Inc.
Pennsylvania Aviation, Inc.
Southern Air Transport, Inc.
Travelair, Inc.
Westward Airways, Inc.

Chester Anderson
Ken Bannon
Grecorio Salas Calvo, Jr.
Sabrina Cranor
Doug Franklin
E.B. Freeman
Douglas Gumula
Edward Harahusk
A. Edward Jenner
Lee Mason
John McFarlane
Eric Nordling
Mark Prange
John Sinisi